

**National
Committee to
Preserve
Social Security
and Medicare**

June 24, 2003

United States House of Representatives
Washington D.C. 20515

**Barbara B. Kennelly
President &
Chief Executive Officer**

Dear Representative:

On behalf of the millions of members and supporters of the National Committee to Preserve Social Security and Medicare, I write to urge you to vote no on H.R. 1, "The Prescription Drug and Medicare Modernization Act of 2003." It is critical that a meaningful and affordable Medicare prescription drug bill is enacted into law this year; H.R.1 does not meet that test. Moreover, the bill would undermine the social insurance nature of Medicare.

We are strongly opposed to provisions in the House legislation that would require Medicare to compete against private plans, based on price, beginning in 2010. This requirement would transform Medicare from a defined-benefit program to a defined-contribution program and ultimately result in the dismantling of Medicare, as we know it. This provision must be eliminated.

Secondly, we believe that Medicare reform should not include means testing. Relying on income levels to determine access to Medicare benefits would undermine Medicare's universal nature. Moreover, since the Medicare payroll tax (or HI tax) is no longer capped, means testing Medicare benefits would clearly undercut public support for the program.

Finally, the gap in drug coverage must be closed. Most seniors cannot afford to pay 100 percent of their drug costs between \$2,000 and \$4,900. This gap in coverage, plus the \$250 deductible and monthly payments of \$35 make the plan either too expensive or not cost effective for most seniors.

Any changes in Medicare must not alter the fundamental social insurance principle that has made Medicare such a popular and effective program. The National Committee has long advocated a drug benefit that is guaranteed, voluntary, affordable, comprehensive, and available to all Medicare beneficiaries, regardless of income or place of residence.

We appreciate your continued commitment to this issue and look forward to working with you.

Cordially,



Barbara B. Kennelly,
President and CEO